

11). The club or institution must then reimburse the DCM. The DCM may replace damaged equipment after reimbursement. Government property lost or destroyed without fault or neglect on the club's part will be replaced, if replacements are available. The club will pay only shipping and handling charges.

[AR 700-131, 45 FR 62038, Sept. 18, 1980; AR 700-131, 61 FR 45890, Aug. 30, 1996]

§ 623.6 Reimbursement for loan of Army materiel.

(a) *Reimbursement policies and procedures*—(1) *Policies.* (i) DA elements do not program for costs related to loan of Army materiel.

(ii) Loans to non-DOD Federal activities are made on the basis that there will be no extra cost to the Army. Costs that are in addition to normal Army operating expenses will be reimbursed by the borrower. This provision will be a part of the loan agreement.

(iii) In cases of aircraft piracy, civil disturbance, disaster relief, or protection of the President or visiting dignitaries, emergency support will not be withheld for lack of a formal reimbursement agreement. In these cases, the supporting Army element will absorb initial costs (within existing fund availability). Reimbursement will be coordinated later.

(iv) Loans made under the provisions of Title 10 U.S.C. 2667 will provide that the borrower must pay a fair monetary rental. The fair monetary rental will be determined on the basis of prevailing commercial rates or computed by sound commercial accounting practices including a return on capital investment and administrative cost as well as depreciation. Leases made under this code section will include a provision establishing the rental cost of the materiel and method of payment.

(v) The Army National Guard (ARNG) is responsible for reimbursement of costs, over and above normal DA operating expenses, related to the borrowed Army materiel.

(vi) Support to the United States Secret Service (USSS) will be on a reimbursable basis except for costs directly related to protection of the President or Vice President. Requests for reim-

bursment for all other support for USSS will be according to AR 37-27.

(vii) The cost of emergency support will be billed directly to the recipient.

(2) *Procedures.* (i) The Army accountable property officer handling the loan of DLA stock fund items will coordinate DLA billings and borrower reimbursement. The borrower can make payment directly to the Defense Stock Fund.

(ii) Installation financial accounting for "accounts receivable" will conform with Army Regulation 37-108.

(iii) The finance and accounting office (FAO) supporting the supplying accountable property officer will record all charges, including accounts receivable of Army Stock Fund offices (or branch offices), in separate ledger accounts for each borrower.

(iv) Charges and collections recorded in each loan account will be reported per Army regulations and directives prescribing the reporting of the fund status in any current fiscal year.

(v) Billing will be initiated on Standard Form 1080, and sent to the borrower within 30 days of turn-in of materiel and loan termination. For loans of arms and accouterments and issue of ammunition pursuant to 10 U.S.C. 4655, the Standard Form 1080 will be annotated to show that collections are to reimburse DA appropriations.

(vi) Special appropriations established to support disaster relief will be used promptly by Army commanders concerned to ensure that all direct expenses are charged to the special appropriation. Exclude those charges subject to reimbursement by the American National Red Cross (ANRC). ANRC reimburses for supplies, materiel, and services for which they are responsible in the disaster area.

(b) *Reimbursable costs.* Unless specifically stated, borrowing agencies, authorities, and activities will reimburse the Army for all costs related to loan of Army materiel to include but not limited to the following:

(1) Any overtime pay and pay of additional civilian personnel required to accompany, operate, maintain, or safeguard borrowed equipment.

(2) Travel and per diem expenses of Army personnel (military and civilian).

Department of the Army, DoD

§ 623.6

(3) Packing, crating, handling, and shipping from supply source to destination and return. This includes port loading and off loading.

(4) All transportation including return for repair or renovation.

(5) Hourly rate for the use of Army aircraft.

(6) Petroleum, oil, and lubricants (POL) (including aviation fuel).

(7) The cost of materiel lost, destroyed, or damaged beyond economical repair except for Army aircraft, motor vehicles, or motor craft used in connection with aircraft piracy.

(8) Utilities (gas, water, heat, and electricity). Charges will be based on meter readings or other fair method.

(9) Any modification or rehabilitation of Army real property which affects its future use by DA. In such cases the borrower will also bear the cost of restoring the facility to its original form.

(10) Repair/overhaul of returned materiel. Renovation and repair will conform with agreement between the Army and the borrower. (See paragraph (e)(1) of this section.)

(11) Repair parts used in maintenance or renovation.

(12) Price decline of borrowed stock fund materiel at which returned property can be sold.

(c) *Nonreimbursable costs.* The following costs are normal operating expenses of the Army for which no reimbursement is required:

(1) Regular pay and allowances of Army personnel (except travel) and per diem costs.

(2) Administrative overhead costs.

(3) Annual and sick leave, retirement, and other military or civilian benefits except as provided in certain cases; e.g., Army Industrial Fund regulations.

(4) Telephone, telegram, or other electrical means used to requisition items, replenish depot stocks, or coordinate the loan.

(5) Charges for the use of Army motor vehicles and watercraft except POL and per diem costs (paragraph (b) of this section).

(6) The use of real property (except as required for utilities, modification, etc.).

(d) *Funding records.* (1) Records of all costs (other than normal operating expenses), related to loans of Army materiel, will be kept at the accountable property officer level by the supporting finance and accounting office. This will be done within existing Army financial accounting systems.

(2) Separate subsidiary general ledger accounts and/or files of documents showing the total value of all issues and materiel returned for credit, and supporting documentation will be set up by the finance and accounting office. The accounts will be kept current for each loan action so reports may be made as prescribed; and so that accounts receivable can be processed for billing and collection action.

(e) *Determination of charges and settlement.* (1) Returned materiel will be promptly classified by a qualified inspector with action as follows:

(i) Materiel classified as unserviceable, uneconomically repairable will be billed at 100 percent of value.

(ii) Materiel classified as unserviceable, economically repairable will be billed for reduced utility (if appropriate) as well as for repair/overhaul costs.

(iii) The depreciation of borrowed materiel will be determined by technical inspectors according to Army Regulation 735-11. When qualified inspectors are not available, returned property will be received with "condition" shown as "subject to final classification by DA." Accountable property officers will complete classification promptly so charges and billing can be made within 30 days of return of materiel.

(2) All returned property which needs repair will be examined by a technical inspector to find cost of repair. Then the accountable property officer will prepare a property transaction record with supporting documents. These records will be sent to the proper MACOM commander or CINC of UCOM for final review. They will include—

(i) A statement on the transaction record identifying the financial account to which the reimbursement money is to be deposited.

(ii) A statement on the transaction record (if appropriate) as follows: "The losses and/or damages shown on the

§ 623.7

32 CFR Ch. V (7-1-14 Edition)

Property Transaction Record in the amount of \$_____ represent the total claim by the US Army for property loaned to _____. Upon settlement and deposit to the proper account, lender releases the _____ from further obligations.”

(iii) A description of the type and degree of repair (separate addendum).

(3) After the final review, an approved list of charges will be sent to the servicing finance office for collection. The property will be released for repair and returned to stock.

(4) The finance office will send a letter to the borrower requesting payment (payable to the Treasurer of the United States). Upon payment, collection documents will be prepared and fiscal accounts credited. The MACOM or UCOM Surgeon will ensure the stock fund is reimbursed for expendable medical supply losses reported.

(5) The finance office will advise the loaning accountable property officer that settlement has been made. Property transaction records will be closed.

(6) The approving authority will then return the bond to the borrower.

(7) The value of supplies and equipment returned to the Army will be credited to the account originally debited at the time of issue. FDAA Regional Directors may find that it is not in the public interest to return borrowed materiel that has not been consumed, lost, or damaged. They will negotiate with the CONUS Army concerned for proper reimbursement for the borrowed materiel not returned.

(f) *Delinquent and uncollectible accounts.* (1) In cases of unsatisfactory settlement, bond proceeds will be used to satisfy the claim.

(2) If this does not settle the account, then 6 months after the final report and after all collection efforts have failed—

(i) Servicing finance offices will send delinquent “accounts receivable” reports to commanders of CONUS Armies and DARCOM readiness commands, and to CINCs of UCOMs, by forwarding—

(A) Duplicate copies of Standard Form 1080 billing documents showing complete accounting classification to which reimbursement is to be credited.

(B) Duplicate copies of all supporting documents.

(C) One copy of any correspondence showing the reason(s) for nonpayment of the account.

(ii) The CONUS Army Commanding General, CINC of UCOM, or Commanding Generals of DARCOM Materiel Readiness Commands, will also try to collect for these delinquent accounts. If all efforts fail, these accounts, (with any delinquent accounts applicable to billings initiated within their own headquarters) will be sent to the Director of Comptroller Systems, HQDA (DACA-BUS). (Para 1, app B). The letter of transmittal will state that the accounts are transferred according to this regulation. A copy will be sent to the FAO handling the accounts. The FAO will then transfer the account to inactive status. A Standard Form 1017G (Journal Voucher) will be prepared showing a debit to account 3052 (Transfer of Accounts Receivable) and a credit to the proper accounts receivable.

(iii) Appropriations available to the accountable property officer or installation will be used for reimbursing; e.g., the Army Stock Fund or Army Industrial Fund accounts. Any later reimbursements received will be credited to the Army appropriation from which payment was made.

(3) Upon receipt of the accounts included in paragraph (f)(2) of this section, the Comptroller, HQDA (DACA-BUS), will take further collection action under normal operating procedures. All later collection action is the responsibility of the Comptroller. Accounting records and reports will conform with normal procedures. When further collection effort by the Comptroller fails, these accounts will be dropped from receivable balances of the Army. They will be referred to the General Accounting Office (GAO).

§ 623.7 Reports.

(a) *General.* Reports of Army materiel loaned to non-DOD activities must be forwarded as described below.

(b) *Aircraft piracy.* (1) Commands and agencies providing aircraft piracy support will initially report through command channels by telephone to the HQDA, (DAMO-ODS). (Para 4, app B.)